

2004
FORM
N-35
(REV. 2004)

STATE OF HAWAII—DEPARTMENT OF TAXATION

S CORPORATION INCOME TAX RETURN

For calendar year 2004 or other tax year

beginning • _____, 2004 and ending • _____, 20 _____

AMD	UNP	008	PNT	INT	
-----	-----	-----	-----	-----	--

• PRINT OR TYPE •	Name	• Federal Employer I.D. No.
	Dba or C/O	• Business Code No. (Use no. shown on federal Form 1120S)
	Address (number and street)	• Date of federal election as an S corporation
	City or town, State, and ZIP Code. If foreign address, see Instructions.	Enter the number of Schedules NS attached to this return •

CAUTION: Include only trade or business income and expenses on lines 1a through 20. See Instructions for more information.

INCOME	1	a Gross receipts or sales \$●	b Less returns and allowances \$●	c Bal ➤	1c●			
	2	Cost of goods sold (Schedule A, line 8)				2●		
	3	Gross profit (line 1c minus line 2)				3		
	4	Net gain or (loss) from Schedule D-1, Part II, line 19 (attach Schedule D-1)				4●		
	5	Other income (see Instructions)(attach schedule)				5●		
	6	TOTAL income (loss) — Add lines 3 through 5 and enter here. ➤				6		
DEDUCTIONS	7	Compensation of officers				7		
	8	Salaries and wages (less employment credit)				8		
	9	Repairs and maintenance				9		
	10	Bad debts (see Instructions)				10		
	11	Rents				11		
	12	Taxes and licenses (attach schedule)				12		
	13	Interest				13		
	14	a Depreciation from federal Form 4562 (See Instructions)	14a			14c		
		b Less depreciation claimed on Schedule A and elsewhere on return	14b					
		c Enter line 14a minus line 14b						
	15	Depletion (Do not deduct oil and gas depletion. See Instructions)				15		
	16	Advertising				16		
	17	Pension, profit-sharing, etc. plans				17		
	18	Employee benefit programs				18		
	19	Other deductions (attach schedule)				19		
20	TOTAL deductions — Add lines 7 through 19 and enter here. ➤				20●			
21	Ordinary income (loss) from trade or business activities — line 6 minus line 20 (To Sch. K, line 1)				21			
TAX & PAYMENTS	22	a Excess net passive income tax (attach schedule(s))	22a●			22e●		
		b Tax from Schedule D (Form N-35), line 21	22b●					
		c Number of N-4's attached is ● _____. Taxes withheld on N-4's attached	22c●					
		d LIFO recapture tax	22d●					
		e Add lines 22a, 22b, 22c, and 22d						
	23	a 2003 overpayment allowed as a credit	23a●			23e●		
		b 2004 estimated tax payments from N-3 _____ N-288 _____	23b●					
		c Payments with extension	23c●					
		d Amount due on Form N-4's attached	23d●					
		e Add lines 23a, 23b, 23c, and 23d						
	24	Underpayment of estimated tax penalty. (see Instructions.). Check if Form N-220 is attached				24●		
	25	OVERPAYMENT (If line 23e is larger than the total of lines 22e and 24), enter AMOUNT OVERPAID				25●		
26	Enter amount of line 25 you want Credited to 2005 estimated tax ➤ 26a \$● _____ Refunded ➤ _____				26b●			
27	TAX DUE (If the total of lines 22e and 24 is larger than line 23e) enter the amount due.				27●			
28	PAYMENT DUE (Total of lines 23d and 27). (See Instructions)				28			
AMENDED RETURN	29	Amount paid (overpaid) on original return — AMENDED RETURN ONLY				29●		
	30	BALANCE DUE (REFUND) with amended return (See Instructions)				30●		

✓ If you don't need Hawaii income tax forms mailed to you next year, check here to receive a preprinted label only ● ☐

Please
Sign
Here

DECLARATION: I declare, under the penalties set forth in section 231-36, HRS, that this return (including any accompanying schedules or statements) has been examined by me and, to the best of my knowledge and belief, is true, correct, and complete, made in good faith, for the taxable year stated, pursuant to the Hawaii Income Tax Law, Chapter 235, HRS.
Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

➤

Signature of officer

Date

Typed or printed name and title of officer

* May the Hawaii Department of Taxation discuss this return with the preparer shown below? (See page 3 of the Instructions) ☐ Yes ☐ No
This designation does not replace Form N-848, Power of Attorney.

Paid
Preparer's
Information

Preparer's Signature ➤
Print Preparer's Name

Date

Check if
self-employed ☐

Preparer's identification number

Firm's name (or
yours if self-employed) ➤
Address and ZIP Code

Federal E.I. No. ➤

Phone no. ➤

Schedule A Cost of Goods Sold (See Instructions for Schedule A)

1	Inventory at beginning of year.	1		
2	Purchases.	2		
3	Cost of labor.	3		
4	Additional IRC section 263A costs (see federal Instructions and attach a schedule).	4		
5	Other costs (attach schedule).	5		
6	Total—Add lines 1 through 5. ➤	6		
7	Inventory at end of year.	7		
8	Cost of goods sold—Line 6 minus line 7. (Enter here and on page 1, line 2) ➤	8		

9 a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Treasury Regulations section 1.471-3.

(ii) ☐ Lower of cost or market as described in Treasury Regulations section 1.471-4 (see Instructions)

(iii) ☐ Other (specify method used and attach explanation) ➤

b Check if there was a writedown of subnormal goods as described in Treasury Regulations section 1.471-2(c) ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach federal Form 970) ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO

9d		
----	--	--

e Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the corporation? ☐ Yes ☐ No

f Was there any change in determining quantities, cost or valuations between opening and closing inventory? ☐ Yes ☐ No

If "Yes," attach explanation.

Schedule B Other Information

1 Check method of accounting: a ☐ Cash b ☐ Accrual c ☐ Other (specify) ➤ _____

2 a Date of incorporation _____ b Date business began in Hawaii _____

c Under laws of _____

3 Refer to the listing of Business Activity Codes at the end of the federal Instructions for Form 1120S and state your principal: Business Activity ➤ _____; Product or service ➤ _____

4 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see IRC section 267(c).) If "Yes" attach a schedule showing: (a) name, address and employer identification number and (b) percentage owned.

5 Enter the number of shareholders in the corporation at the end of the tax year who are: residents of Hawaii _____ nonresidents of Hawaii _____.

6 Was the corporation's election under S Corporation of Chapter 1 of the Internal Revenue Code in effect for the current taxable year?

7 Did the corporation derive income from sources outside Hawaii which is not includable in the Hawaii return?

8 During this tax year did you maintain any part of your tax accounting/tax records on a computerized system?

9 Was this corporation in operation at the end of 2004?

10 How many months in 2004 was this corporation in operation? ➤ _____

11 If the corporation: (1) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (2) has net unrealized built-in gain (defined by IRC section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. \$ _____.

Yes	No

Designation of Tax Matters Person (See Instructions.)

Enter below the shareholder designated as the tax matters person (TMP) for the tax year of this return, if one has been designated:

Name of designated TMP ➤	Identifying number of TMP ➤
Address of designated TMP ➤	

Schedule K Shareholders' Share of Income, Credits, Deductions, etc. (See Instructions)				
a. Distributive share items		b. Attributable to Hawaii		c. Attributable Elsewhere
Income (Losses) and Deductions				
1	Ordinary income (loss) from trade or business activities (page 1, line 21)		1	
2	Net income (loss) from rental real estate activities (attach federal Form 8825)		2	
3 a	Gross income from other rental activities		3a	
b	Expenses from other rental activities(attach schedule).		3b	
c	Net income (loss) from other rental activities. Line 3a minus line 3b		3c	
4	Portfolio income (loss):			
a	Interest income		4a	
b	Ordinary dividends		4b	
c	Royalty income		4c	
d	Net short-term capital gain (loss) (Schedule D (Form N-35))		4d	
e	Net long-term capital gain (loss) (Schedule D (Form N-35)).		4e	
f	Unrecaptured section 1250 gain (attach schedule).		4f	
5	Net gain (loss) under IRC section 1231 (other than due to casualty or theft) (attach Schedule D-1) .		5	
6	Other income (loss) (attach schedule)		6	
Deductions				
7	Charitable contributions (attach schedule)		7	
8	IRC section 179 expense deduction (attach federal Form 4562)		8	
9	Deductions related to portfolio income (loss) (attach schedule)		9	
10	Other deductions (attach schedule)		10	
Investment Interest				
11 a	Interest expense on investment debts paid or accrued in 2004		11a	
b (1)	Investment income included on lines 4a, 4b, 4c and 4f, above		11b(1)	
(2)	Investment expenses included on line 9, above		11b(2)	
Credits				
12 a	Fuel Tax Credit for Commercial Fishers (attach Form N-163)		12a	
b	Total cost of property qualifying for the Capital Goods Excise Tax Credit (see Instructions) .		12b	
c	Amounts needed to claim the Enterprise Zone Tax Credit (attach Form N-756)	See Instructions	12c	
d	Hawaii Low-Income Housing Tax Credit (attach Form N-586)		12d	
e	Credit for Employment of Vocational Rehabilitation Referrals (attach Form N-884).		12e	
f	Motion Picture and Film Production Income Tax Credit (attach Form N-316)			
(1)	Production costs qualifying for a 4% tax credit		12f(1)	
(2)	Transient Accommodations costs qualifying for a 7.25% credit		12f(2)	
g	Technology Infrastructure Renovation Tax Credit (attach Form N-326)		12g	
h	High Technology Business Investment Tax Credit (attach Form N-318)		12h	
i	Tax Credit for Research Activities (attach Form N-319)		12i	
j	Individual Development Account Contribution Tax Credit (attach Form N-320)		12j	
k	Hotel Construction and Remodeling Tax Credit (attach Form N-314)		12k	
l	Total qualifying costs for the Drought Mitigating Water Storage Facility Tax Credit (attach Form N-328)		12l	
m	Credit for School Repair and Maintenance (attach Form N-330)		12m	
n	Ethanol Facility Tax Credit (attach Form N-324).		12n	
o	Renewable Energy Technologies Income Tax Credit (attach Form N-334)		12o	
p	Hawaii income tax withheld on Forms N-288 (see Instructions)		12p	
q	Total Hawaii income tax withheld on Forms N-4.		12q	
r	Net income tax paid by the S corporation to states which do not recognize the corporation's "S" status. Identify state(s)		12r	

SCHEDULE K CONTINUES ON PAGE 4

Schedule K

Shareholders' Share of Income, Credits, Deductions, etc. (Continued)

Other Items (Attach a separate schedule if more space is needed for any item.)		b. Attributable to Hawaii		c. Attributable Elsewhere	
13	Total property distributions (including cash) other than dividend distributions reported on line 18, below. Date of Distribution _____		13		
14	Tax exempt interest income		14		
15	Other tax exempt income		15		
16	Non-deductible expenses		16		
17	Other items and amounts not included on lines 1 through 16, above, that are required to be reported separately to shareholders (attach schedule)		17		
18	Total dividend distributions paid from accumulated earnings and profits		18		
19	Income (loss) — Combine lines 1 through 6. From the result, subtract the sum of lines 7 through 11a		19		
20	Corporate adjustments to income attributable to Hawaii (attach schedule)		20		
21	Interest penalty on early withdrawal of savings		21		

Schedules L, M-1, and M-2

Attach a copy of page 4 of federal Form 1120S to this return.

Schedule N

List of Shareholders (Attach a separate sheet if more space is needed)

Name and Address	SSN or FEIN	No. of shares owned at all times during the year	State of Residence	Year Sch. NS filed, if any (Indicate if revoked)	Amount of Payment on Form N-4 attached
1					
2					

Schedule O

Apportionment of Income (See Attributable to Hawaii in the Instructions.)

1	Ordinary income (loss) from trade or business activities (From page 1, line 21)		
2	Apportionment factor (From Schedule P, line 8)		%
3	Business income apportioned to Hawaii (line 1 multiplied by line 2) (To Schedule K, line 1, col. b)		
4	Business income apportioned elsewhere (line 1 minus line 3). (To Schedule K, line 1, col. c)		
5	Are the totals of columns b and c, Schedule K, lines 2 through 6, and the amounts shown on Schedule P, column B, the same as those reported in returns or reports to other states under the Uniform Division of Income for Tax Purposes Act?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If "No", please explain _____			

Schedule P

Computation of Apportionment Factors (See Attributable to Hawaii in the Instructions.)

Property — (use original cost)	In Hawaii		Total Everywhere	
	Beginning of taxable year	End of taxable year	Beginning of taxable year	End of taxable year
Land				
Buildings				
Inventories				
Leasehold interests*				
Rented Property*				
Other Property				
Total				

* Enter net annual rent X 8.

	A. In Hawaii	B. Everywhere	
1	Property values (average value of property above)		
2	Property factor (line 1, col. A divided by line 1, col. B)		%
3	Total compensation		
4	Payroll factor (line 3, col. A divided by line 3, col. B)		%
5	Total sales		
6	Sales factor (line 5, col. A divided by line 5, col. B)		%
7	Total of factors (add lines 2, 4, and 6)		%
8	Average of factors (divide line 7 by 3) (To Schedule O, line 2)		%